GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2420
ANSWERED ON:09.08.2005
SECTORAL POLICY FOR AUTO COMPONENT INDUSTRY
Yerrannaidu Shri Kinjarapu

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has any proposal to have a sectoral policy for the Auto component industry;

(b) if so, the details thereof;

(c) whether the Free Trade Agreement with Thailand had only widened the gap between the domestic and overseas companies in the auto component units;

(d) if so, the reasons therefor; and

(e) the steps taken by the government in this direction?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) & (b): No, Sir. However, keeping in view the large export potential, export of auto-components has been identified as a thrust item in the Mid-Term Export Strategy 2002-2007formulated by this Department;

(c) to (e): No Sir. India has not signed any Free Trade Agreement with Thailand, However, on 9th October 2003, India and Thailand have signed a Framework Agreement for establishing a Free Trade Area (FTA). The key elements cover FTA in Goods, Services and Investment, and other areas of Economic Cooperation. The Framework Agreement also provides for an Early Harvest Scheme (EHS) under which 82 common items have been agreed for elimination o} `tariffs on a fast track basis. The EHS has come into force from 1s` September 2004. The list of EHS has been finalized after consultation with administrative Ministries/ Departments and the domestic stakeholders.